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5 November 1970

DCI BRIEFING FOR
6 NOVEMBER NSC MEETING

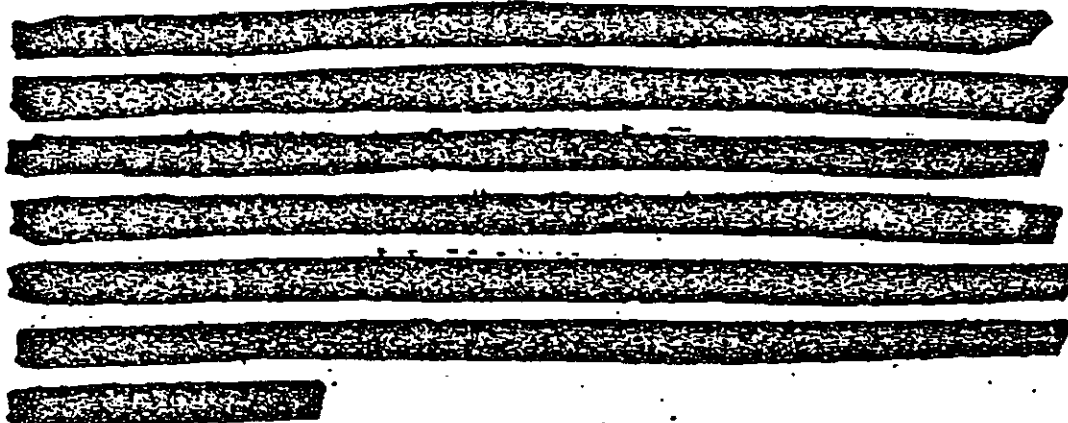
CHILE

- I. Mr. President, Salvador Allende, the Chilean Marxist, has now taken office as President in that country with virtually no significant opposition to hold him in check, and with a cabinet dominated by the Communists and his own even more extreme Socialist Party.
- II. Allende was a narrow winner in the three-way presidential elections on September 4, when his Popular Unity coalition got him 36.6 percent of the vote.
 - A. The orthodox pro-Moscow Communist Party of Chile put together the Popular Unity coalition, chose Allende as the candidate, and provided the organizational base for his election.
 - B. Allende himself belongs to the Socialist Party. This is a Marxist, nationalist party with a strong faction committed to violent revolution, rather than the parliamentary road to power favored by the Moscow-line Chilean Communist Party.

tution already gives the president a measure of executive decree--recently enlarged by the Frei government. With the next congressional elections set for 1973, he has ample time to obtain the legislation he may need without triggering opposition by hasty and alarming demands.

C. We expect that his first economic moves will be aimed at control of the major mining, industrial and financial enterprises that he considers essential to his plans.

1. These assets, combined with the substantial foreign exchange reserves he inherits from the outgoing government, will put his regime in good financial shape at the outset.
2. Recent high copper prices and extensive recent U.S. investment in expanded copper production in Chile are additional bonuses for the new regime, although world copper prices have been dropping, and there are indications that supply is approaching demand.
3. He and his main economic advisors are concerned, however, about the deterioration


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b. After the 4 September popular vote, the world press had tended to treat the prospect of witnessing the first freely-elected Marxist head of state take office as a curious aberration of democracy rather than a politically significant event. Press interest and coverage was relatively light until the Allende forces fortuitously provided an attractive issue which could be exploited. By 15 September, it became apparent that Allende was conducting a rather blatant campaign to intimidate the Chilean information media through threats of assassination and violence, takeovers by so-called worker organizations, and ultimatums to the management of newspapers and radio stations. Allende's purpose was to smother any opposition to his election by Congress and to take advantage of that


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[REDACTED]

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[REDACTED]

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d. In spite of everything, Frei never asserted himself. Indeed, he failed to attend or to influence otherwise the 3-4 October Congress of his party at which time it was decided by a substantial margin to make a deal with Allende. With that decision, the Frei re-election gambit died and constitutional alternatives had been exhausted. Subsequently, Frei did manage to confide to several top-ranking military officers that he would not oppose a coup, with a guarded implication he might even welcome one. Yet, when a coup opportunity and situation presented itself upon the assassination of Army Commander in Chief Schneider, Frei moved quickly away from it.

6. Military Coup

a. After early October -- absent any evidence that Frei was responding, politically speaking, to artificial respiration -- a /

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